

Message Text

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ORIGIN ACDA-12

INFO OCT-01 EUR-12 IO-14 ISO-00 SIG-03 SOE-02 AF-10
ARA-14 CIAE-00 DODE-00 EA-12 PM-05 H-02 INR-10
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FM SECSTATE WASHDC
TO USMISSION GENEVA PRIORITY
INFO ALL NATO CAPITALS PRIORITY
USDEL MBFR VIENNA PRIORITY
AMEMBASSY LONDON PRIORITY
AMEMBASSY MOSCOW PRIORITY
AMEMBASSY SOFIA PRIORITY
USMISSION USNATO PRIORITY
AMEMBASSY BELGRADE PRIORITY
AMEMBASSY BERLIN PRIORITY
AMEMBASSY HELSINKI PRIORITY
AMEMBASSY STOCKHOLM PRIORITY

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TAGS: PARM, SOPN

SUBJECT: AUGUST 22 ROUNDUP: PRESS ITEMS OF ARMS CONTROL
INTEREST

LONDON FOR AMB/EX, SOFIA FOR AMBASSADOR

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1. U.S. NEWS AND WORLD REPORT (AUG. 28) SAID AT HEART OF
PRESIDENT CARTER'S "EXTRAORDINARY VETO" OF WEAPONS AUTHORI-
ZATION BILL WAS HIS DETERMINATION TO BEAT BACK "WHAT HE
SEES AS BID BY LAWMAKERS TO DICTATE SIZE, SHAPE AND STRATE-
GY OF U.S. MILITARY FORCES THAT WOULD BE CONTRARY TO ADMINI-
STRATION'S LONG-RANGE PLANNING." BESIDES NUCLEAR-POWERED
CARRIER, WHICH ADMINISTRATION DOES NOT WANT, CONGRESS HAS

"TACKED LONG LIST OF OTHER PROJECTS TO DEFENSE BUDGET,,
MAGAZINE NOTED. "RARELY HAS CONGRESS REWRITTEN PENTAGON
PROGRAM SO DRASTICALLY AND IN SUCH DETAIL. CHANGES RUN TO
40 PAGES IN PENTAGON DOCUMENT. TOTAL COST OF ALL ADDITIONAL
PROGRAMS: ROUGHLY FIVE BILLION DOLLARS. HOW IS THIS LONG
LIST OF CONGRESS-INSPIRED SPENDING PLANS TO BE FINANCED?
LAWMAKERS ARE ENDING UP WITH AN OVERALL BUDGET TOTAL
VIRTUALLY SAME AS 126 BILLION DOLLAR PROPOSAL SENT UP BY
ADMINISTRATION. HOWEVER, TO PAY FOR NUCLEAR SUPERCARRIER
AND THEIR OTHER NEW PROJECTS. THEY ARE SLASHING PROGRAMS
DEEMED BY DEFENSE DEPARTMENT TO BE ESSENTIAL FOR NATION'S
SECURITY. FUNDS ARE MERELY BEING SWITCHED TO FINANCE

CONGRESSIONAL PROJECTS. PRESIDENT PINPOINTS THIS
AS CRUX OF HIS LATEST BATTLE WITH CONGRESS. IN HIS WORDS:
'IT'S NOT QUESTION OF MONEY.... IT'S QUESTION OF HOW
THAT MONEY IS GOING TO BE SPENT....'" U.S. NEWS SAID
SURGERY PERFORMED BY CONGRESS ON PENTAGON PROGRAM THREAT-
ENS FOUR OF ADMINISTRATION'S MAJOR STRATEGIC OBJECTIVES:
1. STRENGTHENING NATO. 2. REVITALIZING NAVY. 3. MAIN-
TAINING TECHNOLOGICAL LEAD. DEFENSE SECRETARY BROWN
SAID 500 MILLION DOLLAR CUT IN RESEARCH AND DEVELOPMENT
COULD LEAD TO "COMPLETE FRUSTRATION" OF U.S. ATTEMPTS
TO CAPITALIZE ON ITS TECHNOLOGICAL SUPERIORITY. 4.
STRATEGIC WEAPONS. AN ADMINISTRATION PLAN TO BUILD
FLEET OF AIRCRAFT ARMED WITH CRUISE MISSILES IS ENDAN-
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GERED, BECAUSE CONGRESS SO FAR HAS BLOCKED FUNDS FOR
DEVELOPMENT OF NEW PLANES.

2. WALL STREET JOURNAL REPORTED THAT PENTAGON NOTIFIED
CONGRESS THAT IT PLANS TO SELL 1.15 BILLION DOLLARS OF
MILITARY WEAPONS AND SERVICES TO SAUDI ARABIA AND IRAN.
LATEST SALES SENT TO CONGRESS FOR REVIEW INCLUDE AN 800
MILLION DOLLAR PACKAGE OF PROGRAMS TO SUPPORT SAUDI
ARABIAN NAVY AND 350 MILLION DOLLARS OF WEAPONS FOR 12
FRIGATES THAT IRANIAN NAVY IS PURCHASING IN EUROPE.
(BALTIMORE SUN SAID U.S. PLANS TO SELL IRAN MISSILES,
GUNS, TORPEDOES AND RELATED EQUIPMENT FOR DOZEN FRIGATES
TO BE BUILT IN NETHERLANDS AND WEST GERMANY.) JOURNAL
RECALLED THAT EARLIER THIS YEAR PRESIDENT CARTER PROPOSED
"CEILING" OF 8.6 BILLION DOLLARS IN FISCAL YEAR ENDING
SEPT. 30 ON ALL SALES, EXCLUDING CERTAIN CONSTRUCTION
WORK AND SALES TO 17 EUROPEAN AND ASIAN NATIONS WITH
WHOM U.S. HAS DEFENSE TREATIES. CARTER ADMINISTRATION
OFFICIALS INSIST THAT GOVERNMENT WILL MEET 8.6 BILLION
DOLLAR LIMIT, EVEN THOUGH CONGRESS HAS ASKED CONGRESS TO
REVIEW 9.8 BILLION DOLLARS OF PROPOSED SALES OF WEAPONS
AND SERVICES SO FAR THIS YEAR, JOURNAL POINTED OUT.

"REASON IS THAT MANY OF PROPOSED SALES WON'T BE FORMALLY SIGNED UNTIL AFTER END OF CURRENT FISCAL YEAR AND DEALS DON'T COUNT UNTIL PENTAGON AND BUYER SIGN SALES CONTRACT. THAT USUALLY HAPPENS WEEKS OR MONTHS AFTER CONGRESS COMPLETES ITS REVIEW." JOURNAL SAID SALES TO EUROPEAN AND ASIAN ALLIES, WHICH AREN'T COVERED BY CEILING, ARE RUNNING HIGHER THAN ANTICIPATED. PENTAGON INITIALLY FORECAST TOTAL SALES OF 13.2 BILLION DOLLARS (INCLUDING LIMITED SALES OF 8.6 BILLION DOLLARS), BUT CURRENTLY IT PREDICTS SALES OF AT LEAST 13.7 BILLION DOLLARS THIS FISCAL YEAR, AND SOME OFFICIALS THINK SALES COULD REACH 14 BILLION DOLLARS. CHRISTOPHER

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